

NC E-Procurement @ Your Service

May 2004

■ Sponsorship

- Governor's Endorsement
- Enabling Legislation
- Sponsoring Agencies
 - Purchase and Contract
 - Information Technology Services
 - Office of the State Controller

■ Enterprise-Wide

- State Agencies
- Institutions & Hospitals
- K-12 Public Schools
- Community Colleges
- Local Governments
- Universities
- Non-Profit & Private Education

■ Advisory/Work Groups

Cross Entity Representation

- Advisory Committee
- Users Groups
- HUB Office

■ Project Management

- State Project Director
- State/Accenture
Management Committee
- Accenture as Application
Service Provider

■ Business Model

- No Appropriated Funding
- Transaction Fee on
Purchase Orders

■ Functionality

- Electronic Requisition
- Automated Rule-Based Approval
- Funds Checking
- P-Card
- Electronic Purchase Orders
- On-line Receipts
- eQuote/Informal Quote Tool
- Catalogs/Term Contracts
- Vendor Registration/HUB Certification
- Reporting

■ Core Software

- Ariba
- eQuote (Accenture)
- Vendor Registration (custom)

■ On-line integration with four financial systems

- State Agencies/Institutions
 - 1 Financial System
- Community Colleges
 - 1 Financial System
- K-12 Public Schools
 - 2 Financial Systems

■ Future Opportunities

- Reverse Auctions
- Strategic Sourcing
- Integration with Universities
- Integration with two more K-12 public school financial systems
- Continued statewide rollout to local government

■ General Statistics

As of May 30, 2004

- Over \$2.1 billion in spend
- Over 31,000 Vendors
- Over 7,800 Users
- Over 260,000 Purchase Orders
- 154 Entities Using E-Procurement
 - State Agencies/Institutions - 44
 - Community Colleges - 38
 - K-12 Public Schools - 50
 - Local Governments - 22
- Over 120 Statewide Term Contracts/Approximately 500 Catalogs

- Reduced prices through increased competition and aggregation of demand
- Increased operating efficiency and reduced administrative costs
- One Stop Shopping
- Online quoting tool – eQuote
- Increased order accuracy
- Online catalogs for statewide term contract items
- Electronic approval flows
- Access to new vendors
- Auto-Tabulated quotes

- In reaction to staffing and budget constraints, the State has leveraged E-Procurement to spend its dollars more efficiently and manage the procurement function more effectively.

\$127 million in savings attributable to E-Procurement

- First-class purchasing system implemented and maintained with no State funds expended, as a result of an innovative public / private partnership.
- Cost savings of \$127 M as a result of 7.24% decrease in prices.

- **eQuote:** Savings average 26% on items purchased using eQuote.
- **Term Contracts:** Savings realized range from 3% to 23% on term contracts re-bid as a result of changes in contract strategy due to eProcurement.
- **Cycle Time Reduction:** Process savings range from 26 – 50% when the elapsed time from order creation to goods receipt was measured for four agencies one year prior to E-Procurement go-live and one year after E-Procurement go-live.

User feedback on price reductions

“The county had been buying ink cartridges locally for around \$11 each. When trying equote, the lowest exact item quote was \$731 per 100 for a savings of over 30%. Another vendor quoted an equal quality item that was a different brand for \$595 per 100, a savings of well over 40%!”

-County Purchasing Office

“I just ordered 105 thousand sheets of vellum. The price quote originally received by the department was \$2,867.90. The price quote using e-quote was \$1,719.70. Savings are \$1,148.20”

-K-12 School Purchasing Office

“We e-quoted 220 NC Atlas and Gazetteers. The regular retail on this is \$19.95. We had one quote for \$17.95 and one for \$19.95, but the best quote was \$12.99. The quote was so low that I called the vendor to make sure it was the right item, and it was!”

-State Agency

User feedback on process efficiencies

“The new system has shortened my processing time for purchase orders and contracts tremendously. Also, any catalog purchase orders go directly from the requestor to the vendor once approved by their superior. It has cut down fax costs, paper and postage, since most transactions are handled via e-mail.”

- State Agency Purchasing Agent

“I am using E-Procurement...and have the control of approving every E-Procurement order before it goes to the vendor. It reduces the typing that has to be done on a PO because it is almost all ‘point and click’. It cuts out multiple handling of the PO because it is transmitted by email to the vendor and the delivery time has been cut in half because of the increased speed.”

- K-12 School Finance Officer

“The NC E-Procurement System is an effective purchasing management tool that is becoming easier and easier to use. The more it is used, the benefits can be readily observed. Already savings in time have been realized in the placing of purchase orders. No more waiting at the fax machines to fill out a transmittal sheet, wait for the transmission, and finally wait for an acknowledgment. No more waiting for someone to write down verbal instructions when a purchase order is called in to a vendor. Once the purchase order is submitted to NC E-Procurement receipt of the order is quickly acknowledged and E-Mail is sent back to the purchaser.”

- Community College Purchasing Officer

“I like eQuote because the tool provides me with all the information I need in one place in a clear format, and it saves me time by allowing me to respond to bids online. In addition, my company has had eQuotes from State buyers with whom we haven’t done business in the past, giving us the opportunity to grow our business with these purchasers.”

- Carolina Computer Supplies

“We just wanted to let you know that eQuote is really easy to move around in and to use! Good job North Carolina! Because it is a lot less intimidating, eQuote is perfect for little companies to do business with the State. It nice to see good tax dollars at work!”

- Home Healthcare Solutions

- Financial Officer Involvement Upfront
- Standardization/Normalization of Catalog Data
- Training
- Change Readiness
- Network Infrastructure
- Business Model